



IMI IMPROVES FUNDING AND SIMPLIFIES RULES FOR PROJECT PARTICIPANTS FACT SHEET

WHY HAVE THE RULES AND CONDITIONS BEEN CHANGED?

- To **improve the financial conditions** for participants in ongoing and future IMI projects;
 - To **simplify the procedures** for project participants, in particular for financial and scientific reporting and for accounting;
 - To **keep more resources available for science** by decreasing the administrative burden and complexity of project management;
 - To **clarify** the terminology, and increase **transparency** in rules, agreements and in communication;
 - To maintain balanced rules, ensuring the **flexible and efficient use** of public and private resources to optimize the investment in the IMI projects.
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WHAT ARE THE BASIC PRINCIPLES OF IMI FUNDING?

- **Legal entities eligible for IMI funding:**
 - Academia
 - SMEs (according to the EU definition)
 - Patient organisations
 - Non-profit research organisations
 - Intergovernmental organisations
 - **Legal entities not eligible for IMI funding:**
 - The pharmaceutical companies that are member of the European Federation of Pharmaceutical Industries and Associations (EFPIA)
 - Companies not falling within the EU definition of SMEs
 - **Basic funding rules for legal entities eligible for IMI funding:**
 - **Direct costs** (personnel, consumables, equipment,...):
 - Research activities: a maximum of 75% of total eligible costs
 - Other activities, including management and training activities: a maximum of 100% of total eligible costs
 - **Indirect costs** (= overheads):
 - Calculated according a flat rate of 20% of direct eligible costs
 - or actual indirect costs = **NEW**
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WHAT HAS CHANGED FOR IMI PROJECT PARTICIPANTS?

- **Improvements in funding rules:**

- **Funding of indirect costs** (= overhead costs related to the project, such as infrastructure, utilities, horizontal administrative, financial and HR services of the organisation etc.):
 - **New funding rule:** Participants can choose between:
 - funding of their actual (proven) indirect costs, including a simplified method of calculation of full indirect costs; = **NEW**
 - a flat rate for indirect costs equal to 20% of direct eligible costs (minus subcontracting and third party costs).

- **Simpler funding rules for personnel costs:**

- **New:** Participants eligible for IMI funding can choose how they report their personnel costs for reimbursement, according to the method that is most convenient for their organisation. They can either:
 - report average personnel cost for reimbursement if that is aligned with their usual accounting practices and applied in other EU programmes; = **NEW**
 - report the actual personnel cost for reimbursement.

Owners of small and medium-sized enterprises who do not receive a formal salary may use a flat rate similar to the one used in the EU's FP7 People programme. = **NEW**

- **Simpler accounting and reporting methods:**

- **New:** Project participants will no longer be obliged to have their annual periodic financial reports to IMI certified by independent auditors, if either:
 - they do their cost calculations according to certified accounting methodologies, allowing EFPIA companies and project participants receiving IMI funding to report according to their normal accounting, budgeting and management methods;
 - the cumulative amount of the participant's reports is below €375 000 (a threshold in line with FP7 principles). Previously, this was €200 000.

For the majority of project participants, this simplification represents a cost saving in annual certification of the periodic financial report of on average between €1 000 and €6 000 per project participant every year.

- **New:** Affiliated entities of EFPIA companies (subsidiaries) will be treated in a similar way to EFPIA companies, in the sense that the affiliate's contribution to the project can be declared by the parent EFPIA company.
- **New:** All project participants will report at one of two fixed dates a year (July or December, depending on the starting date of the project). The introduction of common deadlines for all projects decreases the administrative burden for the rising number of participants that are involved in several IMI projects.

Thanks to these simplifications, project participants will be able to reduce the administrative burden in project management, making more resources available for scientific activities.





Innovative Medicines Initiative

• **Communication:**

- **More transparent communication on industry participation**, by recognising the contribution of the industry partners in publications, patent filings etc. = **NEW**
- **New: Open Access publication is encouraged:** Participants of IMI projects are required to do their best to ensure that publications resulting from the project become freely and electronically available to anyone through a repository, either:
 - immediately if the scientific publication is published 'open access' (= if an electronic version is also available free of charge via the publisher);
 - within 6 months of publication.

IMI is preparing additional important simplifications in:

- the **scientific reporting** for project participants;
- the **application procedures** for consortia applying for IMI funding in response to a Call.

These simplifications will be announced early 2012.

WILL THE CHANGES APPLY TO ONGOING PROJECTS?

The changes will apply to **all IMI projects**, including:

- ongoing IMI projects (after appropriate amendments to the agreement between the project participants and IMI – the Grant Agreement);
- projects currently under selection or negotiation;
- IMI projects resulting from future Calls for proposals.

WHERE ARE THE NEW RULES WRITTEN?

- In the IMI model **Grant Agreement** (= the agreement between IMI and all participants of a project which details the conditions of the IMI funding).
→ Available on the IMI website: www.imi.europa.eu/content/documents#grant_agreement
- In the IMI **Financial Guidelines**, which will explain and illustrate the general financial rules for all IMI projects, and which will be published on the IMI website early 2012.

